

**LEASE AGREEMENT
(Tenant Gross Lease)**

THIS LEASE AGREEMENT (the "Lease") is entered into this 21 day of December 2009 between

RAINIER COMMONS, L.L.C. ("Landlord"), and TC Global, Inc. dba Tully's Coffee, formerly known as Tully's Coffee Corporation ("Tenant").

Landlord and Tenant agree as follows:

1. LEASE SUMMARY.

a. Leased Premises. The leased commercial real estate (the "Premises") consists of an agreed area of 17,814 rentable square feet and are outlined on the floor plan attached as **Exhibit A**, located on the land legally described on attached **Exhibit B**, and is commonly known as 3100 Airport Way South Seattle WA. consisting of aproximatly 220,000 SF of buildings. Tenant to lease: 1. Building levels 100 & 200. 2. Building 24 level 100. 3. Building 26 level 100. 4. Building 2 level 200. 5. Building 3 level 200. 6. Building 4 level 200. 7. Building 14 level 100 partly.

The Premises do not include, and Landlord reserves, the exterior walls and roof of the Premises, the land beneath the Premises, the pipes and ducts, conduits, wires, fixtures, and equipment above any suspended ceiling and structural elements of the building in which the Premises are located (the "Building"). The Building, the land upon which it is situated, all other improvements located on such land, and all common areas appurtenant to the Building are referred to herein as the "Property."

b. Lease Commencement Date. The Lease shall commence May 11th 2010.

c. Lease Termination Date. The Lease shall terminate at midnight on May 10th 2020.

d. Extension option. Two (2) five (5) years periods extension option. Tenant to advise Landlord of his intention to exercise each option no later than 275 days prior to termination date. Extensions will be based on 95% of then current market rates for similar office buildings in accordance to the procedure set forth in **Exhibit E**. Annual increases during either extension option will be CPI based.

e. Early termination. Tenant shall have a one (1) time termination right at year five (5) with six (6) months written notice to terminate the lease at a cost of any unamortized costs. Unamortized costs meaning 50% of Landlord's improvements as set forth in **Exhibit C** plus broker's commission including interest on the preceding amount at 12% per annum.

f. Base Rent. The base monthly rent shall be (check one): ☐, or ☒ according to the Rent Rider attached hereto (**EXHIBIT D**). Rent shall be payable at Landlord's address shown in Section 1(h) below, or such other place designated in writing by Landlord.

g. Prepaid Rent: Upon commencement Tenant will pay one month rent of \$22,066.57 which, as long as tenant is not in default, will be applied to the last month rent of the term as extended.

h. Parking. Tenant will have the right for 2.5 parking spots per 1,000sqf of leased space for total of 44 spots. This parking will be free of charge.

i. Permitted Use. The Premises shall be used for office and workshop.

j. Notice and Payment Addresses:

Landlord: Rainier Commons LLC, C/o Ariel Development, 3317 3rd Ave S, Seattle WA 98134 Fax No.: 260 447 0299

Tenant: TC Global, Inc. _____ Fax No.: _____

2. PREMISES. Landlord leases to Tenant, and Tenant leases from Landlord the Premises.

3. TERM.

a. Commencement Date. The Lease shall commence on the date specified in Section 1(b). Landlord will deliver possession of the Premises to Tenant on the date specified in Section 1(b). The first "Lease Year" shall commence on the Commencement Date and shall end on the date which is twelve (12) months from the end of the month in which the Commencement Date occurs. Each successive Lease Year during the initial term and any extension terms shall be twelve (12) months, commencing on the first day following the end of the preceding Lease Year, except that the last Lease Year shall end on the Termination Date.

b. Tenant Obligations. Except as specified elsewhere in this Lease, Landlord makes no representations or warranties to Tenant regarding the Premises, including the structural condition of the Premises and the condition of all mechanical,

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electrical, and other systems on the Premises. Except for any improvements described on attached **Exhibit C** to be completed by Landlord (defined therein as "Landlord's Work"), Tenant shall be responsible for performing any work necessary to bring the Premises into condition satisfactory to Tenant. By signing this Lease, Tenant acknowledges that it has had adequate opportunity to investigate the Premises, acknowledges responsibility for making any corrections, alterations and repairs to the Premises (other than the Landlord's Work), and acknowledges that the time needed to complete any such items shall not delay the Commencement Date.

Attached **Exhibit C** sets forth all Landlords' Work, if any. If Tenant fails to notify Landlord of any defects in the Landlord's Work (other than work performed by tenant) within ten (10) days of completing such works, Tenant shall be deemed to have accepted the Premises in their then condition. If Tenant discovers any major defects in the Landlord's Work (other than work performed by tenant) during this 10-day period that would prevent Tenant from using the Premises for its intended purpose. Tenant shall prepare a punch list of all minor defects and provide the punch list to Landlord in 10 days of Landlord completing Landlord's work. Landlord shall promptly correct all punch list items.

4. **RENT.** Tenant shall pay Landlord without demand, deduction or offset, in lawful money of the United States, the monthly rental stated in Section 1(f) in advance on or before the 1st day of each month during the Lease Term beginning on the date set forth in the Rent Rider attached hereto along with all additional payments due to Landlord (collectively the "Rent") required under this Lease. Payments for any partial month at the beginning or end of the Lease term shall be prorated.

a. **Late Rent Fee.** If any sums payable by Tenant to Landlord under this Lease are not received by the 5th day of each month, Tenant shall pay Landlord in addition to the amount due, for the cost of collecting and handling such late payment, an amount equal to the greater of \$100 or five percent (5%) of the delinquent amount. In addition, all delinquent sums payable by Tenant to Landlord and not paid within five days of the due date shall, at Landlord's option, bear interest at the rate of twelve percent (12%) per annum, or the highest rate of interest allowable by law, whichever is less. Interest on all delinquent amounts shall be calculated from the original due date to the date of payment.

Landlord's acceptance of less than the full amount of any payment due from Tenant shall not be deemed an accord and satisfaction or compromise of such payment unless Landlord specifically consents in writing to payment of such lesser sum as an accord and satisfaction or compromise of the amount which Landlord claims.

b. **Rental Abatement option** Tenant and Landlord agree that in exchange for the TI works as detailed in EXHIBIT C, clause 1 (carpet and paint), Tenant shall receive free rent equivalent to the cost of these works in the amount of \$60,000.00.

5. **USES.** The Premises shall be used only for the use(s) specified in Section 1(f) above (the "Permitted Use"), and for no other business or purpose without the prior written consent of Landlord. No act shall be done on or around the Premises that is unlawful or that will increase the existing rate of insurance on the Premises or the Building, or cause the cancellation of any insurance on the Premises or the Building. Tenant shall not commit or allow to be committed any waste upon the Premises, or any public or private nuisance. Tenant shall not do or permit anything to be done in the Premises or on the Property which will obstruct or interfere with the rights of other tenants or occupants of the Property, or their customers, clients and visitors, or to injure or annoy such persons.
7. **COMPLIANCE WITH LAWS.** Tenant shall not cause or permit the Premises to be used in any way which violates any law, ordinance, or governmental regulation or order. Landlord represents to Tenant, to the best of Landlord's actual knowledge, that with the exception of any Alterations made by Tenant as of the Commencement Date, the Premises comply with all applicable laws, rules, regulations, or orders. Tenant shall be responsible for complying with all laws applicable to the Premises as a result of Tenant's particular use, such as modifications required by the Americans With Disabilities Act as a result of Tenant opening the Premises to the public as a place of public accommodation. If the enactment or enforcement of any law, ordinance, regulation or code during the Lease term requires any changes to the Premises during the Lease term, the Tenant shall perform all such changes at its own expense if the changes are required due to the nature of Tenant's activities at the Premises, or to alterations that Tenant seeks to make to the Premises.
8. **UTILITIES AND SERVICES.** This lease is a gross lease. At no further cost to the tenant, Tenant will receive electricity, water, sewage, garbage, and gas service. Furthermore, Tenant will receive janitorial service free of charge.
9. **TAXES.** This is a gross lease. Tenant shall pay all taxes, assessments, liens and license fees ("Taxes") levied, assessed or imposed on Tenant's personal property located on the Premises. Landlord shall pay all Taxes with respect to the Building and the Project, including any Taxes resulting from a reassessment of the Building or the Project due to a change of ownership or

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otherwise.

10. COMMON AREAS.

a. Definition. The term "Common Areas" means all areas and facilities that are provided and designated from time to time by Landlord for the general non-exclusive use and convenience of Tenant with other tenants and which are not leased or held for the exclusive use of Landlord or of a particular tenant. Common Areas may, but do not necessarily include, hallways, entryways, stairs, elevators, driveways, walkways, terraces, docks, loading areas, restrooms, trash facilities, parking areas and garages, roadways, pedestrian sidewalks, landscaped areas, security areas and lobby or mall areas. Tenant shall comply with reasonable rules and regulations concerning the use of the common areas adopted by Landlord from time to time. Without advance notice to Tenant and without any liability to Tenant, Landlord may change the size, use, or nature of any common areas, erect improvements on the Common Areas or convert any portion of the Common Areas to the exclusive use of Landlord or selected tenants, so long as Tenant is not thereby deprived of the substantial benefit of the Premises. Landlord reserves the use of exterior walls and the roof, and the rights to install, maintain, use, repair and replace pipes, ducts, conduits, and wires leading through the Premises in areas which will not materially interfere with Tenant's use thereof.

b. Use of the Common Areas. Tenant shall have the non-exclusive right in common with Landlord and such other tenants to whom Landlord has granted or may grant such rights to use the Common Areas. Tenant shall abide by rules and regulations adopted by Landlord from time to time and shall use its best efforts to cause its employees, contractors, and invitees to comply with those rules and regulations, and not interfere with the use of Common Areas by others.

c. Maintenance of Common Areas. Landlord shall maintain the Common Areas in good order, condition and repair.

- 11. ALTERATIONS.** Tenant may make alterations, additions or improvements to the Premises, with the prior written consent of Landlord ("alterations"). The term "Alterations" shall not include the installation of shelves, movable partitions, Tenant's equipment, and trade fixtures which may be performed without damaging existing improvements or the structural integrity of the Premises, and Landlord's consent shall not be required for Tenant's installation of those items. Tenant shall complete all Alterations at Tenant's expense in compliance with all applicable laws and in accordance with plans and specifications approved by Landlord, using contractors approved by Landlord, and in a manner so as to not unreasonably interfere with other tenants. Landlord shall be deemed the owner of all Alterations except for those which Landlord requires to be removed at the end of the Lease term. Tenant shall remove all Alterations at the end of the Lease term unless Landlord conditioned its consent upon Tenant leaving a specified Alteration at the Premises, in which case Tenant shall not remove such Alteration. Tenant shall immediately repair any damage to the Premises caused by removal of Alterations.

- 13. REPAIRS AND MAINTENANCE.** Tenant shall, at its sole expense, maintain the Premises in good condition and promptly make all repairs and replacements, whether structural or non-structural, necessary to keep the Premises safe and in good condition, including all utilities and other systems serving the Premises. Landlord shall maintain and repair the Building structure, foundation, exterior walls, and roof, and the Common Areas. Tenant shall not damage any demising wall or disturb the structural integrity of the Premises and shall promptly repair any damage or injury done to any such demising walls or structural elements caused by Tenant or its employees, agents, contractors, or invitees. If Tenant fails to maintain or repair the Premises, Landlord may enter the Premises and perform such repair or maintenance on behalf of Tenant. In such case, Tenant shall be obligated to pay to Landlord immediately upon receipt of demand for payment, as additional Rent, all costs incurred by Landlord in making such repairs, with interest at the rate of twelve percent (12%) per annum to the date of payment. Notwithstanding anything in this Section to the contrary, Tenant shall not be responsible for any repairs to the Premises made necessary by the negligent acts of Landlord or its agents, employees, contractors or invitees therein.

Upon expiration of the Lease term, whether by lapse of time or otherwise, Tenant shall promptly and peacefully surrender the Premises, together with all keys, to Landlord in as good condition as when received by Tenant from Landlord or as thereafter improved, reasonable wear and tear and insured casualty excepted.

- 14. ACCESS AND RIGHT OF ENTRY.** After 24 hours notice from Landlord (except in cases of emergency, where no notice is required), Tenant shall permit Landlord and its agents, employees and contractors to enter the Premises at all reasonable times to make repairs, alterations, improvements or inspections. This Section shall not impose any repair or other obligation upon Landlord not expressly stated elsewhere in this Lease. After 24 hours notice to Tenant, Landlord shall have the right to enter the Premises for the purpose of showing the Premises to prospective purchasers or lenders at any time, and to prospective tenants within 275 days prior to the expiration or sooner termination of the Lease term.
- 14. SIGNAGE.** Tenant will be allowed to keep the big T and the two north and south facing banners on building 21. The painted sign on the south face of building 25 will be allowed to remain providing Tenant will surrender the façade in 30 days upon written request from the Landlord. Said signs will be free of charge. All signs are subject to a City of Seattle permit at Tenant's responsibility and cost. Any sign will need to comply with any structural requirements relevant and will be the sole responsibility of the Tenant. Tenant shall be responsible for any damage caused by any sign.

15. DESTRUCTION OR CONDEMNATION.

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a. Damage and Repair. If the Premises are partially damaged but not rendered untenantable, by fire or other insured casualty, then Landlord shall diligently restore the Premises and this Lease shall not terminate; provided, however, Tenant may terminate the Lease if Landlord is unable to restore the Premises within six (6) months of the casualty event. The Premises shall not be deemed untenantable if less than Ten percent (10%) of each of those areas are damaged. Notwithstanding the foregoing, Landlord shall have no obligation to restore the Premises if insurance proceeds are not available to pay the entire cost of such restoration. If insurance proceeds are available to Landlord but are not sufficient to pay the entire cost of restoration, then Landlord may elect to terminate this Lease and keep the insurance proceeds, by notifying Tenant within sixty (60) days of the date Landlord learns of such casualty.

If the Premises or 50% or more of the rentable area of the Property are entirely destroyed, or partially damaged and rendered untenantable, by fire or other casualty, Landlord may, at its option: (a) terminate this Lease as provided herein, or (b) restore the Premises to their previous condition; provided, however, if such casualty event occurs during the last 6 months of the Lease term (after considering any option to extend the term timely exercised by Tenant) then either Tenant or Landlord may elect to terminate the Lease. If, within 60 days after receipt by Landlord from Tenant of written notice that Tenant deems the Premises untenantable, Landlord fails to notify Tenant of its election to restore the Premises, or if Landlord is unable to restore the Premises within six (6) months of the date of the casualty event, then Tenant may elect to terminate the Lease.

If Landlord restores the Premises Landlord shall proceed with reasonable diligence to complete the work, and the base Rent shall be abated in the same proportion as the untenantable portion of the Premises bears to the whole Premises, provided that there shall be a rent abatement only if the damage or destruction of the Premises did not result from, or was not contributed to directly or indirectly by the act, fault or neglect of Tenant, or Tenant's officers, contractors, licensees, agents, servants, employees, guests, invitees or visitors. No damages, compensation or claim shall be payable by Landlord for inconvenience, loss of business or annoyance directly, incidentally or consequentially arising from any repair or restoration of any portion of the Premises or the Property. Landlord will not carry insurance of any kind for the protection of Tenant or any improvements paid for by Tenant or on Tenant's furniture or on any fixtures, equipment, improvements or appurtenances of Tenant under this Lease, and Landlord shall not be obligated to repair any damage thereto or replace the same unless the damage is caused by Landlord's negligence.

b. Condemnation. If the Premises or 50% or more of the rentable area of the Property are made untenantable by eminent domain, or conveyed under a threat of condemnation, this Lease shall terminate at the option of either Landlord or Tenant as of the earlier of the date title vests in the condemning authority or the condemning authority first has possession of the Premises and all Rents and other payments shall be paid to that date. In case of taking of a part of the Premises or the portion of the Property necessary for Tenant's occupancy that does not render those areas untenantable, then this Lease shall continue in full force and effect and the base Rent shall be equitably reduced based on the proportion by which the floor area of any structures is reduced, such reduction in Rent to be effective as of the earlier of the date the condemning authority first has possession of such portion or title vests in the condemning authority. The Premises shall not be deemed untenantable if less than twenty-five percent (25%) of the Property is condemned. Landlord shall be entitled to the entire award from the condemning authority attributable to the value of the Premises or the Property and Tenant shall make no claim for the value of its leasehold. Tenant shall be permitted to make a separate claim against the condemning authority for moving expenses or damages resulting from interruption in its business, provided that in no event shall Tenant's claim reduce Landlord's award.

16. INSURANCE.

a. Liability Insurance. During the Lease term, Tenant shall pay for and maintain commercial general liability insurance with broad form property damage and contractual liability endorsements. This policy shall name Landlord as an additional insured, and shall insure Tenant's activities and those of Tenant's employees, officers, contractors, licensees, agents, servants, employees, guests, invitees or visitors with respect to the Premises against loss, damage or liability for personal injury or death or loss or damage to property with a combined single limit of not less than \$2,000,000, and a deductible of not more than \$5,000. The insurance will be non-contributory with any liability insurance carried by Landlord.

b. Tenants Insurance. During the Lease term, Tenant shall pay for and maintain replacement cost fire and extended coverage insurance, with vandalism and malicious mischief, sprinkler leakage and earthquake endorsements, in an amount sufficient to cover not less than 100% of the full replacement cost, as the same may exist from time to time, of all of Tenant's personal property, fixtures, equipment and tenant improvements.

c. Miscellaneous. Insurance required under this Section shall be with companies rated A-V or better in Best's Insurance Guide, and which are authorized to transact business in the State of Washington. No insurance policy shall be cancelled or reduced in coverage and each such policy shall provide that it is not subject to cancellation or a reduction in coverage except after thirty (30) days' prior written notice to Landlord. Tenant shall deliver to Landlord upon commencement of the Lease and from time to time thereafter, copies or certificates of the insurance policies required by this Section. In no event shall the limit of such policies be considered as limiting the liability of Tenant under this Lease.

d. Landlord Insurance. Landlord shall obtain standard form extended coverage fire insurance of the building shell and core in the amount of their full replacement value, and such other insurance of such types and amounts as Landlord, in its discretion, shall deem reasonably appropriate. In addition to the foregoing, in the event Tenant fails to provide or keep in force

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any of the insurance as required above, Landlord, in its discretion, may provide such insurance, in which event, the cost thereof shall be payable by Tenant to Landlord as additional rent on the first day of the calendar month immediately following demand therefor from Landlord, plus interest on such cost at the rate of twelve percent (12%) per annum.

e. Waiver of Subrogation. Landlord and Tenant hereby release each other and any other tenant, their agents or employees, from responsibility for, and waive their entire claim of recovery for any loss or damage arising from any cause covered by insurance to the extent permitted by their respective insurance carrier. Each party shall provide notice to the insurance carrier or carriers of this mutual waiver of subrogation as set forth herein, and shall request its respective insurance carriers to waive all rights of subrogation against the other. This waiver shall not apply to the extent of the deductible amounts to any such policies or to the extent of liabilities exceeding the limits of such policies.

17. INDEMNIFICATION. Tenant shall defend, indemnify, and hold Landlord harmless against all liabilities, damages, costs, and expenses, including attorneys' fees, arising from any act, omission or negligence of Tenant, or Tenant's officers, contractors, licensees, agents, servants, employees, guests, invitees, or visitors, or arising from any breach of this Lease by Tenant. Tenant shall use legal counsel acceptable to Landlord in defense of any action within Tenant's defense obligation. Landlord shall defend, indemnify and hold Tenant harmless against all liabilities, damages, costs, and expenses, including attorneys' fees, arising from any negligent or wrongful act or omission of Landlord or Landlord's officers, contractors, licensees, agents, servants, employees, guests, invitees, or visitors on or around the Premises or arising from any breach of this Lease by Landlord. Landlord shall use legal counsel acceptable to Tenant in defense of any action within Landlord's defense obligation. The provisions of this section 17 shall survive expiration or termination of this Lease.

18. ASSIGNMENT. Tenant shall not assign, mortgage, encumber or otherwise transfer any interest in this Lease (collectively referred to as a "Transfer"), without first obtaining Landlord's written consent, which shall not be unreasonable withheld. No Transfer shall relieve Tenant of any liability under this Lease notwithstanding Landlord's consent to such Transfer. Consent to any Transfer shall not operate as a waiver of the necessity for Landlord's consent to any subsequent Transfer. If Tenant is a partnership, limited liability company, corporation, or other entity, any transfer of this Lease by merger, consolidation, redemption or liquidation, or any change(s) in the ownership of, or power to vote, which singularly or collectively represents a majority of the beneficial interest in Tenant, shall constitute a Transfer under this Section.

19. LIENS. Tenant shall keep the Premises free from any liens created by or through Tenant. Tenant shall indemnify and hold Landlord harmless from liability from any such liens including, without limitation, liens arising from any Alterations. If a lien is filed against the Premises by any person claiming by, through or under Tenant, Tenant shall, upon request of Landlord, at Tenant's expense, immediately furnish to Landlord a bond in form and amount and issued by a surety satisfactory to Landlord, indemnifying Landlord and the Premises against all liabilities, costs and expenses, including attorneys' fees, which Landlord could reasonably incur as a result of such lien(s).

20. DEFAULT. The following occurrences shall each be deemed an Event of Default by Tenant:

a. Failure To Pay. Tenant fails to pay any sum, including Rent, due under this Lease following five (5) days written notice from Landlord of the failure to pay.

b. Vacation/Abandonment. Tenant vacates the Premises (defined as an absence for at least 15 consecutive days without prior notice to Landlord), or Tenant abandons the Premises (defined as an absence of five (5) days or more while Tenant is in breach of some other term of this Lease). Tenant's vacation or abandonment of the Premises shall not be subject to any notice or right to cure.

c. Insolvency. Tenant becomes insolvent, voluntarily or involuntarily bankrupt, or a receiver, assignee or other liquidating officer is appointed for Tenant's business, provided that in the event of any involuntary bankruptcy or other insolvency proceeding, the existence of such proceeding shall constitute an Event of Default only if such proceeding is not dismissed or vacated within 60 days after its institution or commencement.

d. Levy or Execution. Tenant's interest in this Lease or the Premises, or any part thereof, is taken by execution or other process of law directed against Tenant, or is taken upon or subjected to any attachment by any creditor of Tenant, if such attachment is not discharged within 15 days after being levied.

e. Other Non-Monetary Defaults. Tenant breaches any agreement, term or covenant of this Lease other than one requiring the payment of money and not otherwise enumerated in this Section, and the breach continues for a period of 30 days after notice by Landlord to Tenant of the breach.

f. Failure to Take Possession. Tenant fails to take possession of the Premises on the Commencement Date.

21. REMEDIES.

Landlord shall have the following remedies upon an Event of Default in addition to all other remedies available at law or in equity. Landlord's rights and remedies under this Lease shall be cumulative, and none shall exclude any other right or remedy allowed by law or in equity.

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- a. Termination of Lease.** Landlord may terminate Tenant's interest under the Lease, but no act by Landlord other than written notice from Landlord to Tenant of termination shall terminate this Lease. The Lease shall terminate on the date specified in the notice of termination. Upon termination of this Lease, Tenant will remain liable to Landlord for damages in an amount equal to the rent and other sums that would have been owing by Tenant under this Lease for the balance of the Lease term, less the net proceeds, if any, of any reletting of the Premises by Landlord subsequent to the termination, after deducting all Landlord's Reletting Expenses (as defined below). Landlord shall be entitled to either collect damages from Tenant monthly on the days on which rent or other amounts would have been payable under the Lease, or alternatively, Landlord may accelerate Tenant's obligations under the Lease and recover from Tenant: (i) unpaid rent which had been earned at the time of termination; (ii) the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of rent loss that Tenant proves could reasonably have been avoided; (iii) the amount by which the unpaid rent for the balance of the term of the Lease after the time of award exceeds the amount of rent loss that Tenant proves could reasonably be avoided (discounting such amount by the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus 1%); and (iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under the Lease, or which in the ordinary course would be likely to result from the Event of Default, including without limitation Reletting Expenses described in Section 21b.
- b. Re-Entry and Reletting.** Landlord may continue this Lease in full force and effect, and without demand or notice, re-enter and take possession of the Premises or any part thereof, expel the Tenant from the Premises and anyone claiming through or under the Tenant, and remove the personal property of either. Landlord may relet the Premises, or any part of them, in Landlord's or Tenant's name for the account of Tenant, for such period of time and at such other terms and conditions, as Landlord, in its discretion, may determine. Landlord may collect and receive the rents for the Premises. Re-entry or taking possession of the Premises by Landlord under this Section shall not be construed as an election on Landlord's part to terminate this Lease, unless a written notice of termination is given to Tenant. Landlord reserves the right following any re-entry or reletting, or both, under this Section to exercise its right to terminate the Lease. During the Event of Default, Tenant will pay Landlord the rent and other sums which would be payable under this Lease if repossession had not occurred, plus the net proceeds, if any, after reletting the Premises, after deducting Landlord's Reletting Expenses. "Reletting Expenses" is defined to include all expenses incurred by Landlord in connection with reletting the Premises, including without limitation, all repossession costs, brokerage commissions, attorneys' fees, remodeling and repair costs, costs for removing and storing Tenant's property and equipment, and rent concessions granted by Landlord to any new Tenant, prorated over the life of the new lease.
- c. Waiver of Redemption Rights.** Tenant, for itself, and on behalf of any and all persons claiming through or under Tenant, including creditors of all kinds, hereby waives and surrenders all rights and privileges which they may have under any present or future law, to redeem the Premises or to have a continuance of this Lease for the Lease term, as it may have been extended.
- d. Nonpayment of Additional Rent.** All costs which Tenant agrees to pay to Landlord pursuant to this Lease shall in the event of nonpayment be treated as if they were payments of Rent, and Landlord shall have all the rights herein provided for in case of nonpayment of Rent.
- e. Failure to Remove Property.** If Tenant fails to remove any of its property from the Premises at Landlord's request following an uncured Event of Default, Landlord may, at its option, remove and store the property at Tenant's expense and risk. If Tenant does not pay the storage cost within five (5) days of Landlord's request, Landlord may, at its option, have any or all of such property sold at public or private sale (and Landlord may become a purchaser at such sale), in such manner as Landlord deems proper, without notice to Tenant. Landlord shall apply the proceeds of such sale: (i) to the expense of such sale, including reasonable attorneys' fees actually incurred; (ii) to the payment of the costs or charges for storing such property; (iii) to the payment of any other sums of money which may then be or thereafter become due Landlord from Tenant under any of the terms hereof; and (iv) the balance, if any, to Tenant. Nothing in this Section shall limit Landlord's right to sell Tenant's personal property as permitted by law to foreclose Landlord's lien for unpaid rent.
- 22. MORTGAGE SUBORDINATION AND ATTORNMEN.** This Lease shall automatically be subordinate to any mortgage or deed of trust created by Landlord which is now existing or hereafter placed upon the Premises including any advances, interest, modifications, renewals, replacements or extensions ("Landlord's Mortgage"), provided the holder of any Landlord's Mortgage or any person(s) acquiring the Premises at any sale or other proceeding under any such Landlord's Mortgage shall elect to continue this Lease in full force and effect. Tenant shall attorn to the holder of any Landlord's Mortgage or any person(s) acquiring the Premises at any sale or other proceeding under any Landlord's Mortgage provided such person(s) assume the obligations of Landlord under this Lease. Tenant shall promptly and in no event later than fifteen (15) days execute, acknowledge and deliver documents which the holder of any Landlord's Mortgage may reasonably require as further evidence of this subordination and attornment. Notwithstanding the foregoing, Tenant's obligations under this Section are conditioned on the holder of each of Landlord's Mortgage and each person acquiring the Premises at any sale or other proceeding under any such Landlord's Mortgage not disturbing Tenant's occupancy and other rights under this Lease, so long as no uncured Event of Default exists.
- 23. NON-WAIVER.** Landlord's waiver of any breach of any term contained in this Lease shall not be deemed to be a waiver of the

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same term for subsequent acts of Tenant. The acceptance by Landlord of Rent or other amounts due by Tenant hereunder shall not be deemed to be a waiver of any breach by Tenant preceding such acceptance.

24. **HOLDOVER.** If Tenant shall, without the written consent of Landlord, hold over after the expiration or termination of the Term, such tenancy shall be deemed to be on a month-to-month basis and may be terminated according to Washington law. During such tenancy, Tenant agrees to pay to Landlord 125% the rate of rental last payable under this Lease, unless a different rate is agreed upon by Landlord. All other terms of the Lease shall remain in effect.
25. **NOTICES.** All notices under this Lease shall be in writing and effective (i) when delivered in person, (ii) three (3) days after being sent by registered or certified mail to Landlord or Tenant, as the case may be, at the Notice Addresses set forth in Section 1(h); or (iii) upon confirmed transmission by facsimile to such persons at the facsimile numbers set forth in Section 1(h) or such other addresses/facsimile numbers as may from time to time be designated by such parties in writing.
26. **COSTS AND ATTORNEYS' FEES.** If Tenant or Landlord engage the services of an attorney to collect monies due or to bring any action for any relief against the other, declaratory or otherwise, arising out of this Lease, including any suit by Landlord for the recovery of Rent or other payments, or possession of the Premises, the losing party shall pay the prevailing party a reasonable sum for attorneys' fees in such suit, at trial and on appeal and in any arbitration or mediation.
27. **ESTOPPEL CERTIFICATES.** Tenant shall, from time to time, upon written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement specifying the following, subject to any modifications necessary to make such statements true and complete: (i) the date the Lease term commenced and the date it expires; (ii) the amount of minimum monthly Rent(including additional payments), and the date to which such Rent has been paid; (iii) that this Lease is in full force and effect and has not been assigned, modified, supplemented or amended in any way; (iv) that this Lease represents the entire agreement between the parties; (v) that all conditions under this Lease to be performed by Landlord have been satisfied; (vi) that there are no existing claims, defenses or offsets which the Tenant has against the enforcement of this Lease by Landlord; (vii) that no Rent has been paid more than one month in advance; and (viii) that no security has been deposited with Landlord (or, if so, the amount thereof). Any such statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's interest or assignee of any mortgage or new mortgagee of Landlord's interest in the Premises. If Tenant shall fail to respond within ten (10) days of receipt by Tenant of a written request by Landlord as herein provided, Tenant shall be deemed to have given such certificate as above provided without modification and shall be deemed to have admitted the accuracy of any information supplied by Landlord to a prospective purchaser or mortgagee.
28. **TRANSFER OF LANDLORD'S INTEREST.** This Lease shall be assignable by Landlord without the consent of Tenant. In the event of any transfer or transfers of Landlord's interest in the Premises, other than a transfer for security purposes only, upon the assumption of this Lease by the transferee, Landlord shall be automatically relieved of obligations and liabilities accruing from and after the date of such transfer, except for any retained security deposit or prepaid rent, and Tenant shall attorn to the transferee.
29. **RIGHT TO PERFORM.** If Tenant shall fail to timely pay any sum or perform any other act on its part to be performed hereunder, Landlord may make any such payment or perform any such other act on Tenant's part to be made or performed as provided in this Lease. Tenant shall, on demand, reimburse Landlord for its expenses incurred in making such payment or performance, plus interest at the rate of twelve percent (12%) per annum to the date of payment. Landlord shall (in addition to any other right or remedy of Landlord provided by law) have the same rights and remedies in the event of the nonpayment of sums due under this Section as in the case of default by Tenant in the payment of Rent.
30. **HAZARDOUS MATERIAL.** Landlord has provided "good faith" report & hazardous materials. It is the responsibility of the Tenant to maintain the premises in a manner that does not violate the hazardous materials manual or any regulations regarding such materials.

Tenant shall not cause or permit any Hazardous Material to be brought upon, kept, or used in or about, or disposed of on the Premises by Tenant, its agents, employees, contractors or invitees, except in strict compliance with all applicable federal, state and local laws, regulations, codes and ordinances. If Tenant breaches the obligations stated in the preceding sentence, then Tenant shall indemnify, defend and hold Landlord harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses including, without limitation, diminution in the value of the Premises, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises, or elsewhere, damages arising from any adverse impact on marketing of space at the Premises, and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees incurred or suffered by Landlord either during or after the Lease term. These indemnifications by Tenant include, without limitation, costs incurred in connection with any investigation of site conditions or any clean-up, remedial, removal or restoration work, whether or not required by any federal, state or local governmental agency or political subdivision, because of Hazardous Material present in the Premises, or in soil or ground water on or under the Premises. Tenant shall immediately notify Landlord of any inquiry, investigation or notice that Tenant may receive from any third party regarding the actual or suspected presence of Hazardous Material on the Premises.

Without limiting the foregoing, if the presence of any Hazardous Material brought upon, kept or used in or about the Premises by Tenant, its agents, employees, contractors or invitees, results in any unlawful release of Hazardous Materials on the

Tenant Gross Lease
(Continued)

Premises or any other property, Tenant shall promptly take all actions, at its sole expense, as are necessary to return the Premises or any other property, to the condition existing prior to the release of any such Hazardous Material; provided that Landlord's approval of such actions shall first be obtained, which approval may be withheld at Landlord's sole discretion.

As used herein, the term "Hazardous Material" means any hazardous, dangerous, toxic or harmful substance, material or waste including biomedical waste which is or becomes regulated by any local governmental authority, the State of Washington or the United States Government, due to its potential harm to the health, safety or welfare of humans or the environment. The provisions of this Section 30 shall survive expiration or termination of this Lease.

- 31. QUIET ENJOYMENT.** So long as Tenant pays the Rent and performs all of its obligations in this Lease, Tenant's possession of the Premises will not be disturbed by Landlord or anyone claiming by, through or under Landlord, or by the holders of any Landlord's Mortgage or any successor thereto.

33. GENERAL.

a. Heirs and Assigns. This Lease shall apply to and be binding upon Landlord and Tenant and their respective heirs, executors, administrators, successors and assigns.

b. Brokers' Fees.

Landlord recognizes CB Richard Ellis (Cavan O'Keefe) exclusively represents the Tenant in this transaction. Landlord shall pay CB Richard Ellis a commission fee as per separate written commission agreement attached to this lease agreement.

In the event that Landlord has not paid said commission within thirty (30) days after the Lease Commencement per the commission schedule set forth in the separate commission agreement which is executed by both parties, then, without waiving any other rights or remedies it may have, and upon notification from CB Richard Ellis to Landlord and Tenant, Tenant shall offset the full amount of said commission from all rent due and payable as they are due and payable hereunder and shall make monthly payments to the Broker in amounts equal to the rent that would otherwise be due and payable hereunder until such time as the amount of said commission has been paid in full.

Notwithstanding the foregoing, Landlord and Tenant agree that payment of said commission is solely the obligation of Landlord and that in no event shall Tenant have any liability in connection with Landlord's nonpayment of said commission.

c. Entire Agreement. This Lease contains all of the covenants and agreements between Landlord and Tenant relating to the Premises. No prior or contemporaneous agreements or understanding pertaining to the Lease shall be valid or of any force or effect and the covenants and agreements of this Lease shall not be altered, modified or added to except in writing signed by Landlord and Tenant.

d. Severability. Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision of this Lease.

e. Force Majeure. Time periods for either party's performance under any provisions of this Lease (excluding payment of Rent) shall be extended for periods of time during which the party's performance is prevented due to circumstances beyond such party's control, including without limitation, fires, floods, earthquakes, lockouts, strikes, embargoes, governmental regulations, acts of God, public enemy, war or other strife.

f. Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State of Washington.

g. Memorandum of Lease. This Lease shall not be recorded.

h. Submission of Lease Form Not an Offer. One party's submission of this Lease to the other for review shall not constitute an offer to lease the Premises. This Lease shall not become effective and binding upon Landlord and Tenant until it has been fully signed by both Landlord and Tenant.

i. No Light, Air or View Easement. Tenant has not been granted an easement or other right for light, air or view to or from the Premises. Any diminution or shutting off of light, air or view by any structure which may be erected on or adjacent to the Building shall in no way effect this Lease or the obligations of Tenant hereunder or impose any liability on Landlord.

j. Authority of Parties. Any individual signing this Lease on behalf of an entity represents and warrants to the other that such individual has authority to do so and, upon such individual's execution, that this Lease shall be binding upon and enforceable against the party on behalf of whom such individual is signing.

- 34. EXHIBITS AND RIDERS.** The following exhibits and riders are made a part of this Lease:

LEASE AGREEMENT

Tenant Gross Lease (Continued)

Page 9 of 19

- Exhibit A Floor Plan Outline of the Premises
- Exhibit B Legal Description
- Exhibit C TI works
- Exhibit D Rent Rider

CHECK THE BOX FOR ANY OF THE FOLLOWING THAT WILL APPLY. ANY RIDERS CHECKED SHALL BE EFFECTIVE ONLY UPON BEING INITIALED BY THE PARTIES AND ATTACHED TO THE LEASE. CAPITALIZED TERMS USED IN THE RIDERS SHALL HAVE THE MEANING GIVEN TO THEM IN THE LEASE.

- ☒ Rent Rider
- ☐ Retail Use Rider
- ☐ Arbitration Rider
- ☐ Limitation on Landlord's Liability Rider
- ☐ Guaranty of Tenant's Lease Obligations Rider
- ☐ Parking Rider

LEASE AGREEMENT

Tenant Gross Lease
(Continued)

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IN WITNESS WHEREOF this Lease has been executed the date and year first above written.

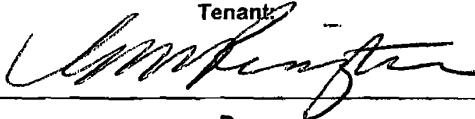

Landlord:

TC Global Inc, Tully's Coffee
Tenant:

Landlord:

Tenant:

By:


By:

Its:

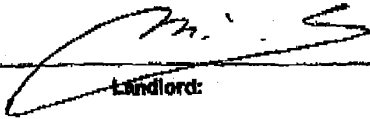
President & CEO
Its:

LEASE AGREEMENT

Tenant Gross Lease
(Continued)

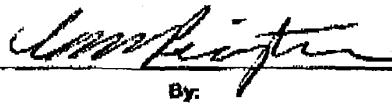
Page 10 of 18

IN WITNESS WHEREOF this Lease has been executed the date and year first above written.


Landlord:

TC Global Inc., Tully's Coffee
Tenant:

Landlord:
SHIMON MIZRAHI
By:

Tenant:

By:

MANAGER
Its:

President & CEO
Its:

LEASE AGREEMENT
Tenant Gross Lease
(Continued)

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STATE OF WASHINGTON

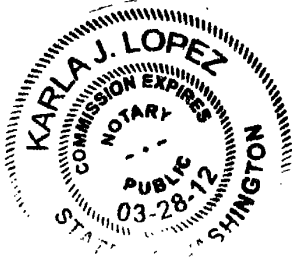
)
) ss.

COUNTY OF

I certify that I know or have satisfactory evidence that Shimon Mizrahi is the person who appeared before me and said person acknowledged that Shimon Mizrahi signed this instrument, on oath stated that Shimon Mizrahi was authorized to execute the instrument and acknowledged it as the Manager of Rainier Commons LLC to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: 12/22, 2009.

(Seal or stamp)



Printed Name: Karla J Lopez

NOTARY PUBLIC in and for the State

of Washington, residing at Edmonds

My Commission expires: 3-28-2012

STATE OF WASHINGTON

)
) ss.

COUNTY OF

I certify that I know or have satisfactory evidence that Brett Goldfarb is the person who appeared before me and said person acknowledged that Brett Goldfarb signed this instrument, on oath stated that Brett Goldfarb was authorized to execute the instrument and acknowledged it as the Manager of Rainier Commons LLC to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: 02 21, 2009.

(Seal or stamp)



Printed Name: Karla J Lopez

NOTARY PUBLIC in and for the State

of Washington, residing at Edmonds

My Commission expires: 3-28-2012

My Commission expires: _____

RCLLC 0001097

Tenant Gross Lease
(Continued)

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STATE OF WASHINGTON)

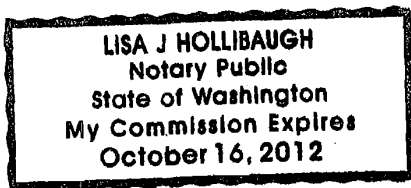
) ss.

COUNTY OF)

I certify that I know or have satisfactory evidence that Carl Pennington is the person who appeared before me and said person acknowledged that Carl Pennington signed this instrument, on oath stated that Carl Pennington was authorized to execute the instrument and acknowledged it as the President & CEO of TC Global, Inc. to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: Dec. 18, 2009

(Seal or stamp)

Printed Name: Lisa Hollibaugh

NOTARY PUBLIC in and for the State

of Washington, residing at SeattleMy Commission expires: Oct. 2012

STATE OF WASHINGTON)

) ss.

COUNTY OF)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me and said person acknowledged that _____ signed this instrument, on oath stated that _____ was authorized to execute the instrument and acknowledged it as the _____ of _____ to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: _____, _____.

(Seal or stamp)

Printed Name: _____

NOTARY PUBLIC in and for the State

of Washington, residing at _____

My Commission expires: _____

My Commission expires: _____

LEASE AGREEMENT

Tenant Gross Lease
(Continued)

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EXHIBIT A

[Outline of the Premises]

EXHIBIT A

Level 200

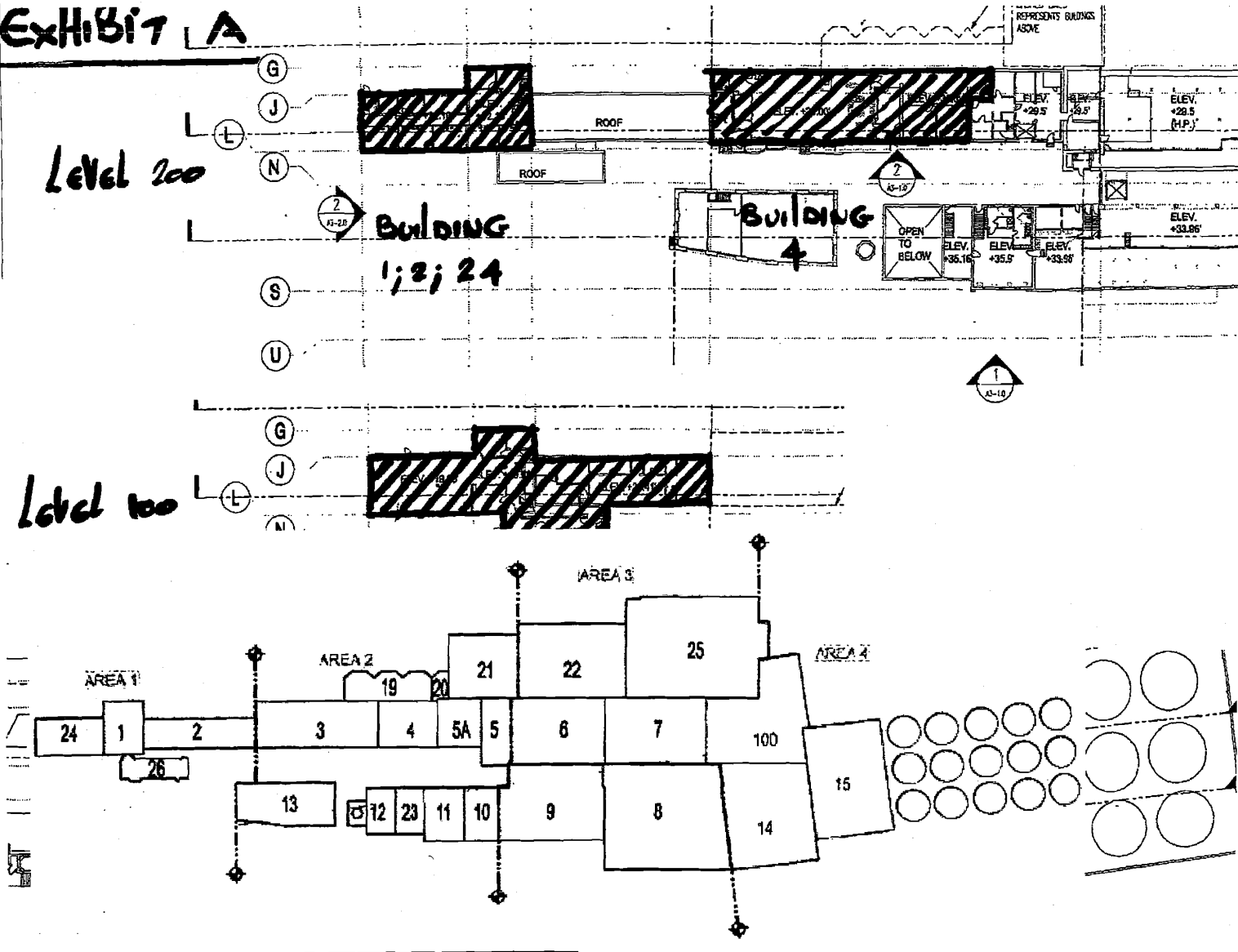
BUILDING
1; 2; 24

BUILDING
4

Level 100

AREA 3

AREA 4



LEASE AGREEMENT I**Tenant Gross Lease
(Continued)**

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Building	Level	SQF
24	100	3249
1	100&200	2702
26	100	957
2	200	2232
3	200	3578
4	200	1296
14	100	3830
Total		17,844

LEASE AGREEMENT

Tenant Gross Lease
(Continued)

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EXHIBIT B

[Legal Description]

PARCEL 2:

Lots 1 through 6, Block 233, Seattle Tidlands, in King County, Washington, as shown on the official maps on file in the Office of the Commissioner of Public Lands at Olympia, Washington;

TOGETHER WITH Lots 1 through 12, Block 17, Handford's Addition to South Seattle, according to the plat thereof recorded in Volume 1 of Plats, page 37 in King County, Washington;

TOGETHER WITH ALL of vacated alley in said Block 17, as vacated under City of Seattle Ordinance No. 38522;

TOGETHER WITH Lots 1 through 12, Block 16, Handford's Addition to South Seattle, according to the plat thereof recorded in Volume 1 of Plats, page 37 in King County, Washington;

TOGETHER WITH ALL of vacated alley in said Block 17, as vacated under City of Seattle Ordinance No. 38521;

TOGETHER WITH ALL of vacated South Winthrop Street between said Blocks 16 and 17, as vacated under City of Seattle Ordinance No. 38522;

TOGETHER WITH that portion of vacated South Handford Street between adjoining Blocks 16, as vacated under City of Seattle Ordinance No. 69571 and would attach by operation of law;

TOGETHER WITH that portion of vacated Tenth Avenue South between adjoining Blocks 16, as vacated under City of Seattle Ordinance No. 95836, and described as follows;

BEGINNING at the intersection of the production south of the East line of Block 16 of said Plat of Hanford's Addition to South Seattle and the Westerly right-of-way line of the Seattle Freeway (Primary State Highway No. 1); thence Northerly along said Westerly right-of-way line to the production east of the North line of Lot 12, Block 17 of said plat; thence West along said produced line to the East line of Block 17; thence South along said East line and the same produced and along the East line of Block 16 to the POINT OF BEGINNING; EXCEPT from the above described Parcel 2 any portion lying within the Northern Pacific Railway Company right-of-way; EXCEPT that portion as conveyed to the State of Washington for Primary State Highway No. 1 by deed recorded under Recording No. 6199964.

LEASE AGREEMENT I

Tenant Gross Lease
(Continued)

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EXHIBIT C

Landlord at landlord's sole cost and expenses will perform the following:

1. New carpets and wall painting of the areas as per the list following. Landlord and Tenant agree to offset the costs associated with this item against free rent. According to the proposals obtained, this amount is agreed as \$60,000.
2. Dividing partitions at building 14 level 100.
3. Roll-up door to tenant's space building 14, provided that creating the structural opening is of no seismic/structural significance and there are no additional structural works required as a result.

Tenant Gross Lease
(Continued)**EXHIBIT D****Rent Rider:**

	Monthly	Annual
Months 1 - 12	\$ 22,066.57	\$ 264,798.78
Months 13 - 24	\$ 22,570.98	\$ 270,851.70
Months 25 - 36	\$ 23,075.39	\$ 276,904.62
Months 37 - 48	\$ 23,579.80	\$ 282,957.54
Months 49 - 60	\$ 24,084.21	\$ 289,010.46
Months 61 - 72	\$ 24,588.62	\$ 295,063.38
Months 73 - 84	\$ 25,093.03	\$ 301,116.30
Months 85 - 96	\$ 25,597.44	\$ 307,169.22
Months 97 - 108	\$ 26,101.84	\$ 313,222.13
Months 109 - 120	\$ 26,606.25	\$ 319,275.05

LEASE AGREEMENT I

Tenant Gross Lease (Continued)

Page 19 of 19

Exhibit E

If Tenant is not in default of any provision of this Lease, Tenant shall have the right to extend the term of the Lease for two (2) additional five (5) year periods beyond the term. The option shall be exercised by Lessee's written notice to Lessor, delivered no later than two hundred seventy-five (275) days prior to expiration of the then expiring term (the "Option Notice"). If the Option Notice is not given as so provided, Tenant's option shall automatically terminate and expire. All the terms and conditions of this Lease shall remain in force and effect during each extended term, if any, except that the amount of the monthly rent shall be 95% of the current market rents. In the event that Landlord and Tenant are unable to agree upon the current market rents within thirty (30) days after the Option Notice, the amount of the monthly rent for each month of such option period shall be established by appraisal. The appraisal procedure shall commence within thirty (30) days after the Option Notice, and within such thirty (30) day period Landlord and Tenant shall each appoint an appraiser and notify the other party in writing of such appointment by identifying the respective appraiser so chosen. Any appraiser selected under this paragraph shall be an MAI appraiser or licensed real estate broker (experienced in leasing in the area of the Premises who shall have not less than seven (7) years of experience with respect to commercial property appraisal, management and/or marketing in the geographic real estate market where the Premises are situated, which person shall not have been regularly employed, directly or indirectly, during the past five (5) years by the party selecting such person. Not later than twenty (20) days after both appraisers are appointed, they shall determine the current market rents; provided, if a party fails to appoint an appraiser within the time specified above for such appointment, then the appraiser appointed shall determine the current market rents and his or her decision shall be final and binding. If the two (2) selected appraisers are unable to agree on the said current market rents within said twenty (20) days, then the appraisers shall promptly inform the parties of this fact and the two appraisers shall select a third appraiser (having the same or better qualifications as the first two appraisers) not later than ten (10) days after said twenty (20) day period; provided, if such third appraiser is not so selected for any reason, then either party may apply to the Presiding Judge of the Superior Court of King County for such appointment. Each of the three appraisers shall, within twenty (20) days after selection or appointment of the third appraiser, submit to the other appraisers an opinion as to the current market rents, and the current market rents shall be an amount equal to the average of the three amounts submitted by the appraisers; provided, however, if any amount submitted by an appraiser differs from the middle appraisal by more than five percent (5%) then such amount shall be disregarded in determining the current market rents. The final decision of the appraisers shall be made not later than thirty (30) days after appointment of the third appraiser, and any decision made hereunder shall be binding on Landlord and Tenant. Landlord and Tenant shall each be responsible for the costs, charges, expenses and fees of its respective appointed appraiser; both Landlord and Tenant shall share equally in the costs, charges, expenses and fees of the third appraiser, if any.

Thereafter the rent shall be increased each year during each extension term in an amount equal to the percentage increase in the Consumer Price Index ("CPI") (defined below) between the beginning of each year of an extension term and the last day of such year (generically "Comparison Date"); provided, however in no event shall the rent be decreased. The term "CPI" shall mean the Consumer Price Index, all Urban Consumers, Subgroup "All Items," United States City average (base year 1982-1984=100), which is presently being published in the United States Department of Labor, Bureau of Labor Statistics. If the CPI is changed so that the base year is altered, then the CPI shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics, to obtain the same results that would have been obtained had the base year not been changed. If no conversion factor is available, or if the CPI is otherwise changed, revised or discontinued for any reason, there shall be substituted in lieu thereof, and the term "CPI" shall thereafter refer to, the most nearly comparable official price index of the United States Government in order to obtain substantially the same result hereunder as would have been obtained had the original CPI not been discontinued, revised or changed. If the parties are not able to reach agreement as to the official price index to be used, the dispute shall be settled by arbitration in Seattle, Washington, pursuant to the rules of the American Arbitration Association then in effect.

FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE (the "Amendment") is made and entered into this 21 day of December, 2009, between RAINIER COMMONS, LLC, a Washington limited liability company ("Landlord") and TC GLOBAL, INC. dba Tully's Coffee, a Washington corporation, formerly known as TULLY'S COFFEE CORPORATION, a Washington corporation ("Tenant").

RECITALS

A. Landlord is the owner of certain real property and improvements situated thereon located at 3100 Airport Way South, Seattle, Washington (the "Property"). Situated on the Property, among other buildings and improvements, is a free-standing retail store with drive-through facilities that is leased by Landlord to Tenant pursuant to a lease dated October 7, 2004 (the "Lease").

B. Tenant has elected to extend the initial term of the Lease which extension shall commence on May 11, 2010 and be for a period of five (5) years terminating on May 10, 2015.

C. The parties have agreed to adjust the Gross Rent to be a minimum amount of \$2,817.00 per month with annual increases based on increases in the Consumer Price Index commencing on May 11, 2011.

D. The Lease also provides for percentage rent to be paid by Tenant to Landlord and the parties desire to change amount and times for payment of such percentage rent.

NOW, THEREFORE, in consideration of the recitals, which are incorporated herein by reference, the covenants and premises contained herein, and for other consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree that the Lease shall be amended as follows:

1. Extension Term. The term of the Lease is hereby extended to May 10, 2015 upon the same terms and conditions contained in the Lease, except as herein amended (the "Extended Term").

2. Extension. Section 2.4.1 is amended to provide that Tenant now has one (1) option to extend the Lease as provided in Section 2.4.1, it being acknowledged that this First Amendment to the Lease represents the exercise of Tenant's first extension.

3. Gross Rent. Section 3.1 of the Lease is hereby amended to read as follows:

Landlord and Tenant intend that this Lease shall be a "gross" lease whereby Tenant shall pay the rent amount set forth in the Lease and landlord shall be responsible for payment of all taxes, insurance, utilities (to the extent set forth in Section 11 of the Lease), trash service, and all maintenance obligations set forth herein with respect to the Retail Store, the Common Areas, and the Project without any additional compensation or reimbursement from Tenant whatsoever. Tenant shall pay to Landlord at the address stated herein, or to such other person or at such other place as Landlord may designate in writing, rent as follows ("Gross Rent"):

Commencing May 11, 2010, Tenant shall pay the Gross Rent of Two Thousand Eight Hundred Seventeen and NO/100 Dollars (\$2,817.00) per month. Such amount shall be increased on June 1, 2011, for the ensuing twelve (12) months, to an amount equal to the percentage increase in the Consumer Price Index ("CPI") (defined below) between May 1 of the prior year and May 1 of the current year (generically "Comparison Date"); provided, however in no event shall the Gross Rent be decreased. Similar increases shall be made to the Gross Rent (as adjusted) effective on June 1 of each year thereafter by the percentage increase in the CPI between the prior Comparison Date and the then current Comparison Date. The term "CPI" shall mean the Consumer Price Index, all Urban Consumers, Subgroup "All Items," United States City average (base year 1982-1984=100), which is presently being published in the United States Department of Labor, Bureau of Labor Statistics. If the CPI is changed so that the base year is altered, then the CPI shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics, to obtain the same results that would have been obtained had the base year not been changed. If no conversion factor is available, or if the CPI is otherwise changed, revised or discontinued for any reason, there shall be substituted in lieu thereof, and the term "CPI" shall thereafter refer to, the most nearly comparable official price index of the United States Government in order to obtain substantially the same result hereunder as would have been obtained had the original CPI not been discontinued, revised or changed. If the parties are not able to reach

agreement as to the official price index to be used, the dispute shall be settled by arbitration in Seattle, Washington, pursuant to the rules of the American Arbitration Association then in effect.

4. Percentage Rent. Section 3.2 of the Lease is hereby amended to read as follows:

In addition to the Gross Rent to be paid by Tenant pursuant to Section 3.1 above, Tenant shall pay to Landlord each month percentage rent in an amount calculated by multiplying Tenant's Gross Sales from the Retail Store for each month by ten percent (10%)(the "Gross Sales Percentage Amount"), and subtracting therefrom Gross Rent paid by Tenant in such month, with the resulting figure defined as the "Percentage Rent". Within thirty (30) days after the end of each month during this Extended Term, Tenant shall furnish to Landlord a written statement certified by Tenant to be correct, showing total Gross Sales made in, upon, and/or from the Retail Store during the preceding month, at which time Tenant shall pay to Landlord the Percentage Rent for such month, provided however that the Percentage Rent is a positive number. Notwithstanding the foregoing, within thirty (30) days after the end of each calendar year during the Extended Term, Tenant shall furnish to Landlord a written statement certified by Tenant to be correct, showing total Gross Sales made in, upon, and/or from the Retail Store during the preceding calendar year and shall compute the amount of Percentage Rent that would have been paid for such year. If the Gross Rent actually paid by Tenant for such year exceeds the Gross Sales Percentage Amount calculated for such same year, then Landlord shall reimburse Tenant for the excess within thirty (30) days or shall credit the amount owed against future payments of Gross Rent.

The Term "Gross Sales" shall mean the gross proceeds collected by Tenant from third party customers (including, without limitation, employees and shareholders of Tenant) from the sales of products or services in the Retail Store, but shall not include any of the following items: (a) goods returned to sources or transferred to another store or warehouse owned by or affiliated with Tenant; (b) receipts from public telephones, wireless, and other computer networks installed solely for use by the Tenant, Tenant's employees or invitees; (c) sales taxes, so-called luxury taxes, consumer's excise taxes, gross receipt taxes, and other similar taxes now or hereafter imposed upon the sale of merchandise or services if collected from customers; (d) sales of fixtures, equipment, property, or bulk sales not in the ordinary course of business; (e) sales of gift certificates and gift cards; (f) fees received for classes, demonstrations, and franchise sales

events conducted within the Retail Store at no profit to Tenant and for the primary purpose of selling franchises, training employees of Tenant or increasing Gross Sales; (g) sales or transfers of coffee, foodstuffs, or other products from the Retail Store for use in meetings and events within the Tully's Premises; (h) allowances and discounts received from suppliers for the promotion or sale of their products or services within the Retail Store; (i) insurance proceeds received from the settlement of claims for loss or damage to merchandise, fixtures, or other personal property of the Tenant. Tenant may maintain its sales records at such location as may be used for Tenant's accounting functions. Such books and records with respect to each month, and each calendar year, shall be kept for a period of not less than two (2) years after submission to Landlord of the Gross Sales statement or statements for each calendar year. Landlord shall have the right, but not more than once during any twelve (12) month period, to make independent examinations or audits of all of Tenant's books, records, and accounts which pertain to or show Gross Sales, or to have same made by an accountant or certified public accountants designated by Landlord. Such audits shall be limited to the determination of the Gross Sales as defined herein and shall be conducted at Tenant's home office during normal business hours and after reasonable prior notice. If the examination or audit shows that there has been a deficiency in the payment of percentage rent, Tenant shall immediately pay to Landlord the deficiency, together with interest at the rate of twelve percent (12%) per annum from the date the payment should have been made. If, as a result of any audit of Tenant's records it is determined that Gross Sales are understated by more than three percent (3%), and if percentage rental is due to Landlord because of such understatement, then, in addition to the payment provided for above, Tenant shall pay the reasonable cost and expenses incurred in connection with such audit. Any information gained from statements as herein provided or any examination or audit shall be confidential and shall not be disclosed except to carry out the purposes hereof; provided, however, that Landlord may disclose the contents of any such statements and/or audit in connection with any financing arrangements or assignment of Landlord's interest in the Leased Premises.

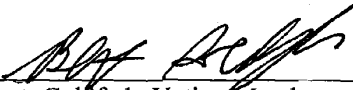
5. Other Terms. Except as amended herein, all of the other terms and conditions of the Lease shall remain in full force and effect.

6. Counterparts. This Amendment may be executed in counterparts and all of the counterparts shall constitute one and the same agreement, notwithstanding that all parties hereto are not signatories to the same, original documents.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the day and year set forth above.

"LANDLORD"

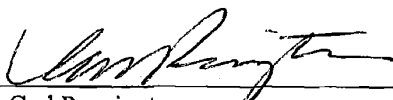
RAINIER COMMONS, LLC,

By 
Brett Goldfarb, Voting Member

By _____
Shimon Mizrahi, Voting Member

"TENANT"
CORPORATION,

TC GLOBAL, INC. dba Tully's Coffee

By 
Carl Pennington

Its President & CEO

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this ____ day of _____, 2009, before me personally appeared BRETT GOLDFARB, the Voting Member of RAINIER COMMONS, LLC, who executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

(Signature of Notary)

(Print or stamp name of Notary)

NOTARY PUBLIC in and for the State
of Washington
My Appointment Expires: _____.

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this ____ day of _____, 2009, before me personally appeared SHIMON MIZRAHI, the Voting Member of RAINIER COMMONS, LLC, who executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

(Signature of Notary)

(Print or stamp name of Notary)

NOTARY PUBLIC in and for the State
of Washington
My Appointment Expires: _____.

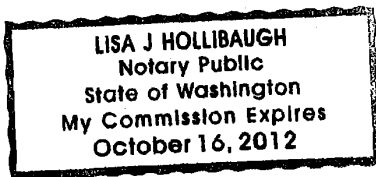
STATE OF WASHINGTON)

) ss.

COUNTY OF KING)

On this 18th day of December, 2009, before me personally appeared Carl Remington, the Pres & CEO of TC GLOBAL, INC. dba Tully's Coffee, who executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.



Lisa Hollibaugh
(Signature of Notary)
Lisa Hollibaugh
(Print or stamp name of Notary)
NOTARY PUBLIC in and for the State
of Washington
My Appointment Expires: Oct. 2012

FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE (the "Amendment") is made and entered into this 21 day of December, 2009, between RAINIER COMMONS, LLC, a Washington limited liability company ("Landlord") and TC GLOBAL, INC. dba Tully's Coffee, a Washington corporation, formerly known as TULLY'S COFFEE CORPORATION, a Washington corporation ("Tenant").

RECITALS

A. Landlord is the owner of certain real property and improvements situated thereon located at 3100 Airport Way South, Seattle, Washington (the "Property"). Situated on the Property, among other buildings and improvements, is a free-standing retail store with drive-through facilities that is leased by Landlord to Tenant pursuant to a lease dated October 7, 2004 (the "Lease").

B. Tenant has elected to extend the initial term of the Lease which extension shall commence on May 11, 2010 and be for a period of five (5) years terminating on May 10, 2015.

C. The parties have agreed to adjust the Gross Rent to be a minimum amount of \$2,817.00 per month with annual increases based on increases in the Consumer Price Index commencing on May 11, 2011.

D. The Lease also provides for percentage rent to be paid by Tenant to Landlord and the parties desire to change amount and times for payment of such percentage rent.

NOW, THEREFORE, in consideration of the recitals, which are incorporated herein by reference, the covenants and premises contained herein, and for other consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree that the Lease shall be amended as follows:

1. Extension Term. The term of the Lease is hereby extended to May 10, 2015 upon the same terms and conditions contained in the Lease, except as herein amended (the "Extended Term").

2. Extension. Section 2.4.1 is amended to provide that Tenant now has one (1) option to extend the Lease as provided in Section 2.4.1, it being acknowledged that this First Amendment to the Lease represents the exercise of Tenant's first extension.

3. Gross Rent. Section 3.1 of the Lease is hereby amended to read as follows:

Landlord and Tenant intend that this Lease shall be a "gross" lease whereby Tenant shall pay the rent amount set forth in the Lease and landlord shall be responsible for payment of all taxes, insurance, utilities (to the extent set forth in Section 11 of the Lease), trash service, and all maintenance obligations set forth herein with respect to the Retail Store, the Common Areas, and the Project without any additional compensation or reimbursement from Tenant whatsoever. Tenant shall pay to Landlord at the address stated herein, or to such other person or at such other place as Landlord may designate in writing, rent as follows ("Gross Rent"):

Commencing May 11, 2010, Tenant shall pay the Gross Rent of Two Thousand Eight Hundred Seventeen and NO/100 Dollars (\$2,817.00) per month. Such amount shall be increased on June 1, 2011, for the ensuing twelve (12) months, to an amount equal to the percentage increase in the Consumer Price Index ("CPI") (defined below) between May 1 of the prior year and May 1 of the current year (generically "Comparison Date"); provided, however in no event shall the Gross Rent be decreased. Similar increases shall be made to the Gross Rent (as adjusted) effective on June 1 of each year thereafter by the percentage increase in the CPI between the prior Comparison Date and the then current Comparison Date. The term "CPI" shall mean the Consumer Price Index, all Urban Consumers, Subgroup "All Items," United States City average (base year 1982-1984=100), which is presently being published in the United States Department of Labor, Bureau of Labor Statistics. If the CPI is changed so that the base year is altered, then the CPI shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics, to obtain the same results that would have been obtained had the base year not been changed. If no conversion factor is available, or if the CPI is otherwise changed, revised or discontinued for any reason, there shall be substituted in lieu thereof, and the term "CPI" shall thereafter refer to, the most nearly comparable official price index of the United States Government in order to obtain substantially the same result hereunder as would have been obtained had the original CPI not been discontinued, revised or changed. If the parties are not able to reach

agreement as to the official price index to be used, the dispute shall be settled by arbitration in Seattle, Washington, pursuant to the rules of the American Arbitration Association then in effect.

4. Percentage Rent. Section 3.2 of the Lease is hereby amended to read as follows:

In addition to the Gross Rent to be paid by Tenant pursuant to Section 3.1 above, Tenant shall pay to Landlord each month percentage rent in an amount calculated by multiplying Tenant's Gross Sales from the Retail Store for each month by ten percent (10%)(the "Gross Sales Percentage Amount"), and subtracting therefrom Gross Rent paid by Tenant in such month, with the resulting figure defined as the "Percentage Rent". Within thirty (30) days after the end of each month during this Extended Term, Tenant shall furnish to Landlord a written statement certified by Tenant to be correct, showing total Gross Sales made in, upon, and/or from the Retail Store during the preceding month, at which time Tenant shall pay to Landlord the Percentage Rent for such month, provided however that the Percentage Rent is a positive number. Notwithstanding the foregoing, within thirty (30) days after the end of each calendar year during the Extended Term, Tenant shall furnish to Landlord a written statement certified by Tenant to be correct, showing total Gross Sales made in, upon, and/or from the Retail Store during the preceding calendar year and shall compute the amount of Percentage Rent that would have been paid for such year. If the Gross Rent actually paid by Tenant for such year exceeds the Gross Sales Percentage Amount calculated for such same year, then Landlord shall reimburse Tenant for the excess within thirty (30) days or shall credit the amount owed against future payments of Gross Rent.

The Term "Gross Sales" shall mean the gross proceeds collected by Tenant from third party customers (including, without limitation, employees and shareholders of Tenant) from the sales of products or services in the Retail Store, but shall not include any of the following items: (a) goods returned to sources or transferred to another store or warehouse owned by or affiliated with Tenant; (b) receipts from public telephones, wireless, and other computer networks installed solely for use by the Tenant, Tenant's employees or invitees; (c) sales taxes, so-called luxury taxes, consumer's excise taxes, gross receipt taxes, and other similar taxes now or hereafter imposed upon the sale of merchandise or services if collected from customers; (d) sales of fixtures, equipment, property, or bulk sales not in the ordinary course of business; (e) sales of gift certificates and gift cards; (f) fees received for classes, demonstrations, and franchise sales

events conducted within the Retail Store at no profit to Tenant and for the primary purpose of selling franchises, training employees of Tenant or increasing Gross Sales; (g) sales or transfers of coffee, foodstuffs, or other products from the Retail Store for use in meetings and events within the Tully's Premises; (h) allowances and discounts received from suppliers for the promotion or sale of their products or services within the Retail Store; (i) insurance proceeds received from the settlement of claims for loss or damage to merchandise, fixtures, or other personal property of the Tenant. Tenant may maintain its sales records at such location as may be used for Tenant's accounting functions. Such books and records with respect to each month, and each calendar year, shall be kept for a period of not less than two (2) years after submission to Landlord of the Gross Sales statement or statements for each calendar year. Landlord shall have the right, but not more than once during any twelve (12) month period, to make independent examinations or audits of all of Tenant's books, records, and accounts which pertain to or show Gross Sales, or to have same made by an accountant or certified public accountants designated by Landlord. Such audits shall be limited to the determination of the Gross Sales as defined herein and shall be conducted at Tenant's home office during normal business hours and after reasonable prior notice. If the examination or audit shows that there has been a deficiency in the payment of percentage rent, Tenant shall immediately pay to Landlord the deficiency, together with interest at the rate of twelve percent (12%) per annum from the date the payment should have been made. If, as a result of any audit of Tenant's records it is determined that Gross Sales are understated by more than three percent (3%), and if percentage rental is due to Landlord because of such understatement, then, in addition to the payment provided for above, Tenant shall pay the reasonable cost and expenses incurred in connection with such audit. Any information gained from statements as herein provided or any examination or audit shall be confidential and shall not be disclosed except to carry out the purposes hereof; provided, however, that Landlord may disclose the contents of any such statements and/or audit in connection with any financing arrangements or assignment of Landlord's interest in the Leased Premises.

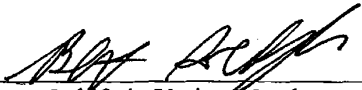
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6. Counterparts. This Amendment may be executed in counterparts and all of the counterparts shall constitute one and the same agreement, notwithstanding that all parties hereto are not signatories to the same, original documents.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the day and year set forth above.

"LANDLORD"


RAINIER COMMONS, LLC,

By 
Brett Goldfarb, Voting Member

By 
Shimon Mizrahi, Voting Member

"TENANT"
CORPORATION,

TC GLOBAL, INC. dba Tully's Coffee

By 
Carl Pennington

Its President & CEO

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 21st day of December, 2009, before me personally appeared BRETT GOLDFARB, the Voting Member of RAINIER COMMONS, LLC, who executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.



Karla J. Lopez
(Signature of Notary)
Karla J. Lopez
(Print or stamp name of Notary)
NOTARY PUBLIC in and for the State
of Washington
My Appointment Expires: 3-28-2012

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 21st day of December, 2009, before me personally appeared SHIMON MIZRAHI, the Voting Member of RAINIER COMMONS, LLC, who executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

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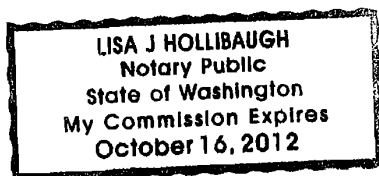


Karla J. Lopez
(Signature of Notary)
Karla J. Lopez
(Print or stamp name of Notary)
NOTARY PUBLIC in and for the State
of Washington
My Appointment Expires: 3-28-2012

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

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Lisa Hollibaugh
(Signature of Notary)
Lisa Hollibaugh
(Print or stamp name of Notary)
NOTARY PUBLIC in and for the State
of Washington
My Appointment Expires: Oct. 2012